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September 30, 2002

RECEIVED

SEP 3 0 2002

THE WORLD STATE OF THE SECRETARY

Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: Docket No. MB 02-235

Ex Parte Presentations, DA 02-2082

Dear Ms. Dortch:

On behalf of Spanish Broadcasting System, Inc. ("SBS") there is transmitted herewith two copies of a bound document associated with an oral <u>ex parte</u> presentation made to the Commission and its staff during the week of September 16, 2002. On September 20, 2002, SBS stated that it intended to request confidentiality with regard to this document. However, upon further consideration, the entire document is herewith provided pursuant to Section 1.1206(b)(1) of the Commission's rules.

Should any questions arise with regard to this matter, kindly communicate directly with this office.

Very truly yours,

KAYE SCHOLER, LLP

Bruce A. Eisen

Enclosure

cc: Qualex International/Rm CY-B402

No. of Copies rec'd_ List ABCDE

and Fraudulent Transaction

UNIVISION @ ENTRAVISION

CLEARCHANNEL



SEPTEMBER, 200

is in DIRECT CONFLICT with the public interest

CCLEAR CCLEAR

CLEARCHANNEL • Have intentionally lied to the Commission and serge conspired to control U.S. Hispanic Radio

Have flagrantly violated Commission ownership limits

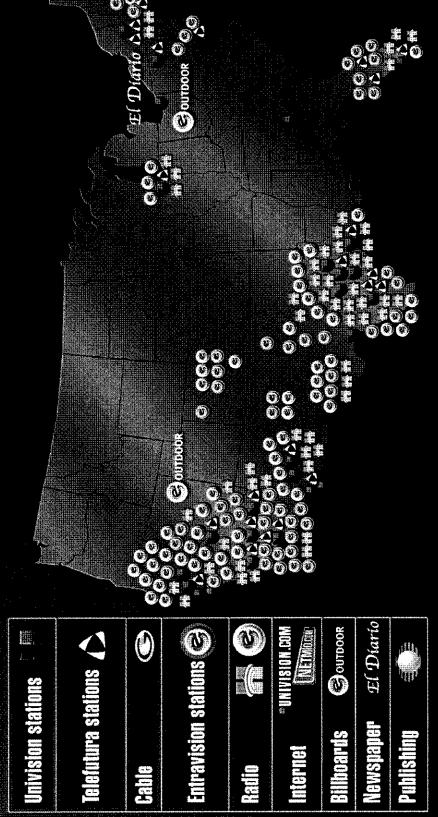
UNIVISIUN

 Have misrepresented Univision's de facto control of Entravision to the Commission and conspired to control U.S. Hispanic TV

CLEARCHANNEL INIVISION

ENTRAVISION • R

 Have intentionally lied to the Commission and conspired to control U.S. Hispanic Media Represents a flagrant attempt to violate Commission ownership limits



UNIVISION TO SENTENTISION PRI AINT PAITINETS CLEARCHANNEL

(0:42) Tall 102.9 " Exercise Atlino Markenson Microsophia Star 790KBIME **CCIENT CHANNE** K: AVE

Houston

2 TV Stations

9 Radio Stations

Galavision Network Univision.com

Netmío.com

Univision Music Group

CFA Concerts

Clear Channel
- 8 Stations
- Outdoor
- Venues

cla

K-LOWE

Total Hispanic Broadcast Revenues

TOP 10 MARKETS — STARTING POINT*

Market	Total TV/Radio	Univision + HBC	% of Total
Los Angeles	\$303	\$219	72%
Mami	171	95	26%
New York	122	59	48%
Houston	84	68	81%
Chicago	73	50	%89
San Francisco	9	52	82%
Dallas	62	45	71%
San Antonio	42	34	81%
San Diego	26	23	%98
El Paso	23	22	%96
Total	\$970	999\$	%69

* Excludes Telefutura and Cross Platform selling efforts Source 2002 BIA Financial Network

TO SO ENTRAVISION

GLEAR CHANNEL 6



S Very Company

The FCC concludes that Televisa's control of SIN (predecessor to Univision) violates foreign ownership restrictions.
US government mandates forced divestiture of SIN to Hallmark Cards.

SIN) - the first Spanishanguage television network

Mexico's media mogul,

Emilio Azcárraga,

creates Spanish International Network distribution of Televisa's

in the US to expand





Jerry Perenchio
huys Univision from
Hallmark Cards.
Spanish-language TV media
giants - Televisa (Mexico)
and Venevision (Venezuela)
each receive 25% equity
stake and provide
exclusive programming.



Sure 2 | July 9

CC announces merger of HBC & Tichenor



Lowry Mays said, "We went forward with the tender offer for Heftel based on a strong helief in Spanish-language radio and the fact that we were uniquely positioned to consolidate the business. We view the merger of Heftel and Tichenor Media System as the most essential step in the process of consolidating the Spanish-language radio industry."

purchase of Heftel (HBC)

Auriust 16

Before merger
is even
consummated,
CC loans Tichenor
\$40MM to purchase
two San Francisco
FM stations



Barely 6 weeks after HBC/Tichenor merger is announced Lowry Mays and Mac Tichenor make first offer to SBS; "It's much more rewarding to be in a position to buy the competition than to spend time changing your game plan to match theirs."





October

December 23

December



CC interferes with SBS acquisition of WYSY FM (Chicago)



Randall Mays
tells Shrinsky
that if SBS
did not accept
CC's offer,
CC "will ultimately
buy SBS on the
bankruptcy
court steps."

CC misappropriates
KSCA FM (Los Angeles)
from SBS and
assigns \$10MM
option to HBC

"CC swooped in to buy a local FM station, KSCA, and subsequently transferred it to brand-new Hispanic Broadcasting"

Univision invests \$10MM, receives option for 27.9% interest in Entravision Enters into 25 year exclusive network affiliation with

"Univision has significant influence over our business."



Katz to breach representation agreement with SBS Stu Olds: "CC has never sold a station."

EXHIBIT 2

September 6, 2002



March

August 1997

August 18

merger of HBC & Tichenor CC completes

and "non-voting" claims "passive" interest, certain Although CC CC Directors **HBC Board** remain on

10 10

of HBC is common knowledge on Wall Street CC's control SBS acquisition of WXDJ/ interferes with owry Mays (Miami)

and Clear Channel and the board..." "...management control both the stock

EXHIBIT 6

- CS First Boston

competitor and gatekeeper to cable television households that particularly in the role of both broadcast "It is the anticompetitive impact of Liberty Media purchase of Telemundo concerns Univision." Univision opposes Liberly Media-Sony

and Sony close on Telemundo

acquisition

Liberty Media

- Jerry Perenchio

May

April 28

June

July

In his own words, HBC Chairman (and supposed controlling shareholder)
Mac Tichenor refers to CC's consolidation of Hispanic radio at Phoenix

Clear Channel was able to pur togeth "It's been a of base that neasure...





April 28

Лay

SBS selects IPO syndicate Lehman Bros. Merrill Lynch CIBC

BT Alex Brown

EXHIBIT 15

in his own words, HBC Chairman controlling shareholder) Mac Tichenor refers to CC's consolidation of Hispanic radio at Phoenix conference: extent and supposed

EXHIBIT 13

to explore IPO option

SBS engages Lehman Bros.

CC attorney Steve Susman then admits Mays "probably called" Clear Channel attempts to derail SBS's upcoming IPO by calling Lehman Bros.: "Alarcón is a drug trafficker" After first saying this is "false" Randall Mays of



August 13

Late 1999

December 23

December 🤇 🐧

Alarcón complains "Clear Channel's o 66/HBC:

active involvement in HBC efforts to derail our initial

CC's threats force

o withdraw from

BT Alex Brown

aublic offering FCC passive apart from

"I cannot endanger

PO syndicate

\$30MM in fees."

regulations nvestment

- Jeff Amling, Managing Director

3T Alex Brown

 constitutes a conspiracy

Communications Group. Univision

state antitrust law." to restrain trade of federal and Raúl Alarcón in violation

to limit Wall Street

coverage of SBS stock

successful effort

CC/HBC begin

in light of CC/AMFM merger ownership of HBC to DOJ against CC's continued SBS submits arguments

Communications

aftempls to

IV stations from Latin

purchase

advertising from Internel

of refusing to accept

Univision begins policy

In a direct edict from

Jerry Perenchio,

The decision sparks charges and launches its own web 'If Microsoft was doing it, of monopoly and private censorship. portals until it develops subsidiary.

lhey would be in front of a leading US Hispanic Cruz/Kravetz Ideas udge right now." - Carl Kravetz

18 18

ad agency

programming affillation

will be canceled".

Letter to CC & HBC Erran

COMBIT 16

EVP Andrew Hobson informs Mega not to bother

March

June 19

June

Group acquisition, Univision invests in Entravision to

CC's illegal control of HBC Policy Institute) files FCC Petition to Deny CC/AMFM merger due to (National Hispanic

partially fund Latin Communications to 40% ownership increases option additional \$110MM

to withhold access broadcast analyst **HBC Ihreatens** Lehman hires Bill Meyers;

> CC's attempt DOJ blocks

to divest

relationship with SBS to Meyers due to Lehman's

222

EXMBIT 21

stations to HBC

EXHBIT 24 over Hispanic Broadcasting review of Clear Channel holdings and influence should be pursued..." "Clearly, a thorough urge DOJ review House members relationship of CC/HBC A group of



September

Sept. 19

Dec. 4

launched and immediately Univision.com becomes #1 Hispanic web site

denies proposed

Commission

Competition

Mexico's

Federal

radio group, Radiopolis, with Grupo Acir, merger of its announces Mexican

squeeze smaller

competitors

contending that

EXHIBIT 26

including Katz Media

Stu Olds

acquisition of AMFM

radio merger, (Televisa/CC)

a Clear Channel subsidiary

EMBIT 25

of Power"

promoted to "CC's Circle

market and give

Televisa

out of the advertising

dominance in unacceptable

V Azteca-Pappas from Barry Diller for \$1.1 Billion move to prevent from launching as a blocking Hispanic TV

Edition 28 Univision acquires USA TV Network competitor in US





and 2,000 billboards

CC has purchased 4 radio staffons

On average,

27

radio market

the Mexican

May

July

SHEET SHEET Univision forces
Entravision radio
stations in Denver
to drop Telemundo
advertising

HBC COO attempts to hire SBS VP of

Programming and GM of Los Angeles

30 30

increases 58%

EXHIBIT 29

In retaliation for SBS' refusal of HBC's offer, HBC induces investors to dump SBS shares

SBS share price plummets

share price Jah

HBC makes second offer to SBS; SBS declines

тини т

January 25

February 8

Once again,

March 25

April 17

Mays replies to l have great

hat it feels will enhance will consider any offer sonfidence that HBC

can have no voice in this now, Clear Channel is a shareholder value for the equity holders... As you and unless it is brought bassive investor and decision until

desirable alternative the best interests of and fully addresses of CC, HBC, & SBS" of our differences This transaction. the shareholders Alareón contacts to the resolution re: offer to HBC in my opinion is the clearly Lowry Mays

to DOJ and FCC

interferes with SBS's KFSG FM

Berman writes

Congressman

anticompetitive

acquisition

practices and

EXHIBIT 32

FCC ownership

iolations

regarding CC's

claims dating oack to 1996

with HBC

Jeff Hinson

HBC CFO

ortiously

re: antitrust

Mays and Tichenor

emtertaimmemt

subsidiary

its Hispanic

CC directs

contacts Alarcón

first settlement credit facility SBS secures offer to HBC and makes \$1 Billion

37 37

o us for a vote."

Lowry Mays

35 35

2.00 EX

- Raúl Alarcón

20111BIT 36

network affiliation with CC and launches "Party 92.7" in

SBS terminates

May 15

May 22

Univision and HBC sign confidentiality agreement

> CC personnel deface SBS Oakland office and studios In retaliation

increases credit facility to \$1.2 Billion and makes second settlement offer to HBC

competitor to CC's KYLD FM

San Francisco, an indirect

38439

on Univision personnel personnel that only informs SBS L.A. allowed HBC EXHIBIT 43 promoter that V promotiona June 13 include SBS N.Y. events acquisition Univision complaint against CC/HBC informs contract unequalled position in the of HBC due to JS Hispanic community" cannot SBS announces antitrust - Jerry Perenchio strengthen and media group "We look to acquisition of HBC consolidate our market to create a announces leadership June 12 10;25 am Univision Alarcón's repeated attempts to contact Tichenor fail with an Mays' controlling **14** veto irrevocably Jerry Perenchio supports Univision bid **Mac Tichenor** Lowry Mays Sign voling agreement June 5 June 11 Vice Chairman Univision/HBC who denies ransaetion Bob Cahill Univision contacts Alarcón SBS research **Drew Marcus** lhat initiating tells Alarcón at Deutsche Bank Media Conference "has been olitical," coverage June 4 umsuccessfully aftempts to Perenchio June 3 Alarcón contact Jerry 2 to with your concurrence, a presentation by you hereafter (June 4th willing to do, and a rack to you shortly No further word is hat would include, of what we will be with a clear sense proposed fimeline My plan is to get ever heard from assures Alarcón icard meeting) o my board." HBC or CC

Lowry Mays (Clear Channel) sells HBC to Jerry Perenchio (Univision) Bel Air, Californía

June 27 7 July 10

IIIIV 10

July 15 July 22

July 26

/August 3

In response
to multiple
industry
complaints
against CC,
Senator
Russ Feingold
introduces
legislation
re: radio/
concerts
antitrust

TWITH PEGAND THAT'S BASICALLY
REJISTATION, THAT'S BASICALLY
ANYWHERE. I Think if you'ne
talking to anyone in the
don't give it a prayer of
neiting on the docket."

Mark Mays

ne 27 / July 10

July 10

July 15

Ammusi 3

including Secret Communications, CC control of various radio "fronts" supplement filed at FCC alleging Petition to Deny

nlatform selling

#1 TV #1 Radio

introduces

Russ Feingold

introduces

legislation re: radio/

concerts antitrust

EXHIBIT 4.5

concerns

due to competitive

In response to multiple industry complaints against CC, Senator

hearings on various CC radio acquisitions

FCC commences

#1 Records #1 Cable #1 Online

concept to

12 major

Hispanic

entertainment

produce first and HBC Univision

joint venture

at Dodger Stadium, Los Angeles

Concord Media Group, Youngstown Radio, Chase Radio and HBC

Petition documents co-mingling of HBC and CC personnel



EXHEBIT 47



New York City

/Semt. 3

Sept. 5 **FCC Petitions** others file NHPI and

announces

CC acquisitions eommences hearings on competitive addiffiomal due to

Siller 51 concerns

> Univision/HBC proceeding

contact in ex parte waiver of

-Wall Street Journal

could be at stake"

very survival

to Deny Univision "The applications ownership rules" on paper, with the FCC's or consent to structured to applications ransaction ransfer of are sham comply, confirol

248 48

Sept. 12

Sept. 6

"second request" to Univision and HBC DOJ issues

Spanish Broadcasting's

deal goes through,

"If the Univision

Legitimate concerns have been raised negative impact regarding the fransaction's

SKWIII 52 Hispanic Caucus to commence review JS Congressiona of Univision/HBC ransaction

50 E

each other out if each decides

on the companies helping

a general prohibition

"The rules do not include

relationship with HBC:

CC admits its illegal

That is in its best interests"

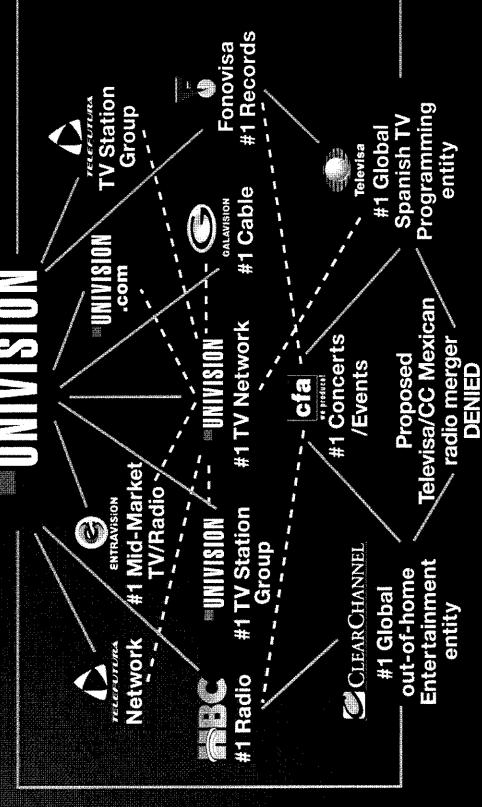
- Steven Susman

CC Counsel



249

Structural Nexus Jerry Perenchio



Univision

Economic dominance of Univision Group expansion of Univision assets inhibits competitors

#1 TV Group(s) #1 Network(s) #1 Records #1 Cable #1 Online

excludes competitors TV programming (15 years remaining) Lack of competitive



#1 Univision Group economic clout

Stronger

Radio + TV, Records, Online commands higher

rates

nivision

Stronger #1 Univision Online

Stronger #1 Univision TV + Cable

Massive promotion of Univision Radio excludes competitors



Stronger #1 Univision Radio

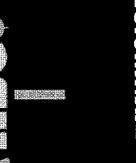


Univision Radio + TV favors Univision Records excludes competitors

Univision Radio, TV and Records feed Univision Online excludes competitors.

Stronger #1 Univision Records There is no weak link. This Anticompetitive Cycle cannot be broken.

S20 MIM S250 MIM S40 MIM Wall Street support





CLEARCHANNEL

mental Clear Channel Dollars

Univision Dollars

\$10 MM + \$110 MM + Stock Repurchases

+ Programming

UNIVISION + Sham Check ist

FCC SHAM FILINGS MARKETPLACE REALITIES

Clear Channel does not control HBC	Clear Channel created HBC Clear Channel funded HBC Clear Channel assisted/directed HBC
	Clear Channel "dealt" HBC to Univision – Bel Air, CA May 2002 Clear Channel illegally tried to derail HBC competitor SBS
Clear Ghannel has "non-voting" stock in HBC	Clear Channel's 26% "non-voting" HBC stake is actually much more determinative than if 26% were actually voting: HBC cannot make a single major corporate act without Clear Channel approval (negative control)
Clear Channel has no HBC board representation	To this day, HBC board has directors originally named by Clear Channel prior to adoption of "non-voting" scam
Mars Channel in a	Clear Channel ampleyees work at MRC stations: Clear Channel

Clear Channel is a "Clear Channel employees work at HBC stations; Clear Channel "passive" HBC investor has attempted to acquire or eliminate HBC's competitors.

UNIVISION FAIRS Sham Check Ist

FCC SHAM FILINGS MARKETPLACE REALITIES

Univision does not control Entravision Univision created Entravision
Univision funded Entravision
Univision repurchased Entravision shares in open market
Univision controls programming = lifeblood of Entravision

Univision and Entravision are "independent" competitive entities

Univision blocked Entravision competitor from acquiring TV stations in Tampa, Orlando and Washington, D.C.

Univision is not involved in Entravision operations

Univision blocked competitor Telemundo from advertising on Entravision radio stations in Denver

Univision is not a monopolist

Univision denied access to its TV network to all internet portals in order to provide exclusivity to Univision.com

Univision has proposed non-voting stock and removal of directors from Entravision board

Univision retains 31% ownership
Univision retains programming lifeblood
Univision non-voting sham = Clear Channel non-voting sham

Government Regulators and Oversight Agencies have given Predators every "benefit of the doubt" in approving past transactions

Non-voting stock Stock trusts Non-attributable equity stakes Veto rights Passive minority interests

Predators have proven themselves untrustworthy

Have not worked in the marketplace

Public Interest Considerations

The Public Interest Will Not Be Served By Univision/HBC

Impermissible, dominant monopolistic market share Elimination of voices Economic concentration Reduction of competitive choices Foreclosure (forever) minority ownership of media

Univision + HBC≠Public Interest +

blic Interest Considerations

CLEARCHANNEL ENTRAVISION





influence and control of "non-attributable" related entities Lied to the Commission regarding their true

Predators have abused the power derived from public airwaves to commit illegal acts

Are now seeking regulatory approval once again of their conspiratorial control of U.S. Hispanic Media

If allowed to join forces, Predators will unavoidably self-perpetuate by inhibiting free-market competition

Recommendations

negative impact inconsistent with the public interest. should be DENIED as it will create an irreversible The proposed acquisition of HBC by Univision

The Perenchio, Clear Channel, Tichenor voting agreement should be voided as it violates the Communications Act.

The Commission should designate both licensees for hearing. Since June 1996 the Clear Channel stake in HBC nas been illegal and attributable.

Since December 1996 Univision has misrepresented its control of Entravision. Univision now proposes to use Clear Channel's The Commission should designate both licensees for hearing. sham ownership structure to control U.S. Hispanic media.

Supporting Documentation • Witnesses • Affidavits

- EXHIBIT SBS vs. Clear Channel and HBC Amended Complaint
- живи Wall Street Journal September 6, 2002
- RANGE Heffel Broadcasting SEC filing dated July 11, 1996
- EXHIBIT Heftel Broadcasting SEC filing dated January 14, 1997
- Selected quotes from "IT'S NOT THE BIG THAT EAT THE SMALL, IT'S THE FAST THAT EAT THE SLOW" by Jason Jennings and Laurence Haughton
- EXIBIT Raúl Alarcón affidavit to DOJ dated November 19, 1996
- EXIDER Correspondence related to KSCA FM transaction
- Entravision SEC filing dated March 26, 2002

- EXIBIT CORRESPONDENCE related to Katz termination
- Avignt Filings related to Clear Channel appointees to HBC Board
- CSFB Research Report, circa August 1997
- Comments at Radio Conference
 Phoenix, Arizona April 28, 1999
- SBS engagement letter with Lehman Brothers
- EXHBIT Witness: Juan A. Garcia, former V.P., Lehman Brothers
- EXHIBIT BT Alex Brown presentation
- TG Witness: Joseph A. Garcia, CFO, Spanish Broadcasting System
- and McHenry Tichenor, Jr. dated August 13, 1999

legal and Fraudululant fransacht

Supporting Documentation • Witnesses • Affidavits

- EXHIBIT Witness: Alfredo Alonso, 18 President, Mega Communications
- EXHIBIT SBS "White Paper" submitted to Department of Justice dated December 23, 1999
- Experience of the Expension of the Experience of
- National Hispanic Policy Institute FCC Petition to Deny dated January 10, 2000
- EXHBIT Hispanic Market Weekly article dated June 19, 2000
- Zza Witness: William Meyers, Analyst, Lehman Brothers
- 24 to the DOJ/FCC dated July 11, 2000

- 25 members includion Stu Olds of Ketz Media
 - members including Stu Olds of Katz Media
 - 26 Univision Press Release
- **EXPRINE**27 transaction
- 28 Univision SEC filing dated June 26, 2001
- 29 HBC merger offer to SBS dated April 4, 2001
 - Spanish Broadcasting System
- Witness: Mirta de Armas, Media Manager, Telemundo
- Semail correspondence from Raul Alarcón
- Congressman Berman's Press Release and Letter to DOJ/FCC dated January 22, 2002

UNIVS ON + An Illegal and Fraudulent Transaction

Supporting Documentation • Witnesses • Affidavits

- Correspondence from Raúl Alarcón to Lowry Mays and McHenry Tichenor, Jr. dated February 8, 2002
- SBS settlement offer to HBC dated March 25, 2002
- Correspondence from Raúl Alarcón to Lowry Mays dated April 17, 2002
- Correspondence from Lowry Mays to Raúl Alarcón dated April 18, 2002
- Photographs of SBS Oakland facilities after being vandalized by Clear Channel personnel on May 16, 2002
- Oakland Police Report
- Correspondence from McHenry Tichenor, Jr. to Raúl Alarcón dated May 31, 2002
- Voting agreement by and between Perenchio, Clear Channel and Tichenor family
- 42 Univision press release dated June 12, 2002
- Witness: Felix Cabrera,
 President, FC Latino Music Corp.
- 44 E-mail correspondence of Juan Carlos Hidalgo

- FCC Designation of Hearing Orders dated July 10, 2002
- Witness: Manuel Machado, President/CEO, BVK Meka
- Supplement of Petition to Deny filed by David Ringer dated July 15, 2002
- FCC press release
- National Hispanic Policy Institute FCC
 Petition to Deny dated September 3, 2002
- Univision press release regarding DOJ "second request" dated September 12, 2002
- FCC Designation of Hearing Order dated September 5, 2002
- Correspondence from Congressman
 Robert Menendez to FCC Chairman Powell
 dated September 17, 2002
- FCC report "Whose Spectrum is it Anyway?" dated December, 2000
- Univision, HBC, Clear Channel and Entravision media holdings in selected markets
- **Hypothetical Cross-Platform Ad Negotiation**